

in China, in addition to joint efforts to develop an advanced CANDU reactor.

Another example of bilateral cooperation that is starting to develop in this sector is the partnership for onshore natural gas hydrate production research. Japan Oil, Gas and Metals National Corporation (JOGMEC) and Natural Resources Canada (NRCan) have been conducting joint gas hydrate research since the late 1990s. In 1998, the two organizations drilled the first gas hydrate well in the Northwest Territories, Canada, to study the properties of this resource. This was followed by the world's first production test in the same field in 2002 (together with a consortium of international partners), with encouraging results. Currently, JOGMEC and NRCan have negotiated an agreement to conduct a longer-term test of production feasibility in the Mackenzie Delta. The first winter drilling season has been completed and show encouraging results. These tests are an integral part of both countries' strategy to develop the technology for commercial production of natural gas from gas hydrates by 2016.

4.5 Role of the Private Sector and Other Key Stakeholders

For over a century, and even before the establishment of formal diplomatic relations between Canada and Japan, the Canadian and Japanese private sectors have been at the forefront of building mutually rewarding trade relations. The nature of these interactions has covered the full spectrum of activity, with many groups constituting broad membership across the Canadian and Japanese private sectors, while others remain sector-focused. Regardless of the composition of these business associations, the Canadian and Japanese private sectors have been responsible for creating numerous bilateral trade and investment links and driving innovative initiatives that have contributed significantly to the overall economic relationship. Although the latter half of the 1990s saw the end of some formal business mechanisms, such as the Canada-Japan Business Council,